

**RESOLUTION NO. 75319**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER AND THE CITY MANAGER'S AUTHORIZED DESIGNEES TO NEGOTIATE AND EXECUTE (I) THE ELEVENTH AMENDMENT TO THE GENERAL BANKING SERVICES AGREEMENT WITH UNION BANK OF CALIFORNIA ("UBOC") TO INCREASE THE MAXIMUM ANNUAL COMPENSATION BY \$141,500 FROM \$178,500 TO AN AMOUNT NOT TO EXCEED \$320,000 TO PROVIDE FINAL BANKING AND TRANSITION SERVICES FROM JULY 1, 2009 THROUGH JUNE 30, 2010; AND (II) THE SECOND AMENDMENT TO THE AGREEMENTS WITH WELLS FARGO BANK FOR GENERAL BANKING SERVICES AND MERCHANT CARD PROCESSING SERVICES TO DECREASE THE MAXIMUM ANNUAL COMPENSATION BY \$141,500 FROM \$715,500 TO AN AMOUNT NOT TO EXCEED \$574,500 FOR THE INITIAL TERM THROUGH JUNE 30, 2010, WITH NO CHANGE IN THE TOTAL APPROPRIATION FOR BANKING SERVICES AS APPROVED BY THE CITY COUNCIL ON JUNE 23, 2009**

**WHEREAS**, in May 2009, the City Council of the City of San José ("City Council") approved the recommendation to enter into a contract with Wells Fargo Bank ("Wells Fargo") to provide the City's banking and financial services including General Banking Services, Merchant Card Processing Services, Lockbox Services, and Securities Custody Services, in a total maximum annual amount not to exceed \$864,000 for the initial period through June 30, 2010, and thereafter subject to annual appropriation of funds; and

**WHEREAS**, at the same time, the City Council approved the recommendation to extend the term of the contract for general banking services with Union Bank of California ("UBOC") for the period of July 1, 2009 to June 30, 2010 in an amount not to exceed

\$30,000 in order to transition the City's banking and financial services from UBOC to Wells Fargo; and

**WHEREAS**, on September 1, 2009, the City Council approved the recommendation to negotiate and execute (i) amendments to the General Banking Services, Merchant Card Processing Services and Lockbox Services Agreements with Wells Fargo to decrease the maximum annual compensation by \$148,500 from \$864,000 to an amount not to exceed \$715,500; and (ii) an amendment to the General Banking Services Agreement with UBOC to increase the maximum annual compensation by \$148,500 from \$30,000 to an amount not to exceed \$178,500, in order to provide banking and transition services from July 1, 2009 through June 30, 2010; and

**WHEREAS**, due to delays moving some operations to the new bank, it is necessary to reallocate funds in order to provide the increased funding for UBOC and decreased funding for Wells Fargo during the transition period with no net dollar effect on the Banking Services appropriation; and

**WHEREAS**, the City desires to negotiate and execute (i) the Eleventh Amendment to the General Banking Services Agreement with UBOC to increase the maximum annual compensation by \$141,500 from \$178,500 to an amount not to exceed \$320,000 to provide final banking and transition services from July 1, 2009 through June 30, 2010; and (ii) the Second Amendment to the Agreements with Wells Fargo for General Banking Services and Merchant Card Processing Services to decrease the maximum annual compensation by \$141,500 from \$715,500 to an amount not to exceed

\$574,000 for the initial term through June 30, 2010, with no change in the total appropriation for banking services as approved by the City Council on June 23, 2009;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:**

The City Manager and the City Manager's authorized designees are hereby authorized to negotiate and execute (i) the Eleventh Amendment to the General Banking Services Agreement with Union Bank of California to increase the maximum annual compensation by \$141,500 from \$178,500 to an amount not to exceed \$320,000 to provide final banking and transition services from July 1, 2009 through June 30, 2010; and (ii) the Second Amendment to the Agreements with Wells Fargo Bank for General Banking Services and Merchant Card Processing Services to decrease the maximum annual compensation by \$141,500 from \$715,500 to an amount not to exceed \$574,000 for the initial term through June 30, 2010, with no change in the total appropriation for banking services as approved by the City Council on June 23, 2009.

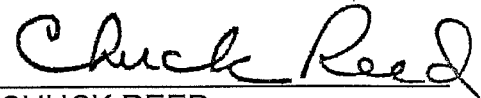
ADOPTED this 30th day of March, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,  
KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED  
Mayor

ATTEST:



LEE PRICE, MMC  
City Clerk